

## Officer Key Decision Record – Decision taken by the Strategic Director of Resources Group on or after 27 March 2015

### Microsoft Enterprise Renewal Contract

<b>Chief Officer taking the decision</b>	David Carter, Strategic Director of Resources
<b>Date of Decision</b>	27 March 2015

#### Decision Taken

That the Strategic Director for Resources Group approves the tender, negotiations and purchase of a new contract with Microsoft.

#### Reasons for Decisions

In April 2012 Warwickshire County Council (WCC) entered into a three year agreement with Microsoft to continue to licence its existing estate of laptops, desktops, servers and mobile devices with applicable Microsoft products that were in use in the authority at that time. The contract is due to expire in April and needs to be renewed.

#### Background Information

- 1.1 The portfolio of Microsoft products that WCC use is extensive, much more than just Windows or Office and the licences are maintained on a user based count with perpetual licences being owned outright by WCC and additional software assurance licences being maintained to keep the estate up to date and patched accordingly plus granting rights to newer versions of software moving forwards. The Microsoft platform is on all WCC laptops/desktops and over sixty percent of the Council's server estate.
- 1.2 Non-renewal of the estate is not a practical option. The Council would not be able to obtain support and patches on desktops or server estates and this would put it in breach of its Code of Connection certification. The Council has considered options for other software in future years these are discussed below.
- 1.3 The 2012-2015 contract was signed on the Government created PSA Framework and this too expires in April 2015 to be replaced by a newly negotiated Microsoft/Crown Commercial Supplier tariff. Research by officers in ICT along with external 3<sup>rd</sup> parties with licensing specialists, suggests that if a new three year contract was entered into before or on 30<sup>th</sup> April 2015 on the outgoing PSA contract it would be cost advantageous to WCC as this would secure the next three years pricing at 2012 values plus a compounded 1.2% increase. If the Council waits until 1<sup>st</sup> May the new CCS agreement inflates

these prices and overall the difference could be as much as £50000 over the same period.

- 1.4 WCC is currently actively engaged in pre-tender discussions with Microsoft and although they favour the new contract options (understandably) they would not object to a renewal on the old terms.
- 1.5 To keep records and costs accurate a review of the estate each year takes place and each April WCC provide audited records to Microsoft to 'true up' and licence figures each year. As an example the licences rose from 3000 to 3651 in the last three year period.
- 1.6 As negotiations and licence numbers and parts are finalised officers are working with the ICT Strategy in mind to ensure that the true up/down process each year reflects what we may have in future years – for example a pilot to remove Office 2010 from ICT staff is under consideration with a move to the Google product sets – this 'downgrade' option must be part of the final contract negotiation. The Council would then declare any downgrade at the annual review point and the relevant amount of non-used licence costs would be applied to the following years renewal decreasing the overall costs.
- 1.7 In three years it is very unlikely our Microsoft estate renewal will reflect the estate today and indeed Microsoft are actively publicising that their strategy is to promote off premise licensing – at present this costs more – in all future developments.
- 1.8 Given the assumed value of the contract for the next three years after initial discussions with Microsoft, ICT are seeking senior officer approval and sign off to proceed with the tender, negotiations and purchase.
- 1.9 It is anticipated the tender will be released on 30<sup>th</sup> March returned, marked and awarded by 17<sup>th</sup> April with final legal contracts and signatures before or on 30<sup>th</sup> April from WCC and Microsoft.

**Financial Implications**

<b>Report Author</b>	Richard Hopkins
<b>Head of Service</b>	Tonino Ciuffini
<b>Strategic Director</b>	David Carter
<b>Portfolio Holder</b>	Kam Kaur

## Checklist

<b>Urgent matter?</b>	No
<b>Confidential or Exempt?</b> (State the category of exempt information)	No
<b>Is the decision contrary to the budget and policy framework?</b>	No

### List of Reports considered

<https://democratic.warwickshire.gov.uk/cm5/CalendarofMeetings/tabid/128/ctl/ViewMeetingPublic/mid/645/Meeting/3511/Committee/557/Default.aspx>

### List of Background Papers - None

### Members and officers consulted or informed

Jane Pollard  
John Betts  
Paul Williams